

**KISATCHIE-DELTA REGIONAL PLANNING
AND DEVELOPMENT DISTRICT, INC.**

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2012

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December 20, 2012

INDEPENDENT ACCOUNTANTS' REPORT

Kisatchie Delta Regional Planning and
Development District, Inc.
3516 Parliament Court
Alexandria, Louisiana 71303

We have reviewed the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Kisatchie-Delta Regional Planning and Development District, Inc. (the District) as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management of the District. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, do not express such an opinion.

The management of the District is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying basic financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Our review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements for them to be in conformity with

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INDEPENDENT ACCOUNTANTS' REPORT

DECEMBER 20, 2012

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accounting principles generally accepted in the United States of America. The information included in the accompanying Combining Statement of Revenue, Expenditures and Changes in Fund Balances is presented only for purposes of additional analysis and has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and we are not aware of any material modifications that should be made thereto.

The management's discussion and analysis listed in the accompanying table of contents is presented for purposed of additional analysis. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. The supplementary information has not been subject to the inquiry and analytical procedures applied in the review of the basic financial statements, but it has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and accordingly, we do not express an opinion or provide any assurance on such supplementary information.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued our report dated December 20, 2012 on the results of our agreed-upon procedures.



ROZIER, HARRINGTON & MCKAY
Certified Public Accountants

KISATCHIE-DELTA

REGIONAL PLANNING AND DEVELOPMENT DISTRICT, INC.

Management's Discussion and Analysis

For the Year Ended June 30, 2012

This section of Kisatchie-Delta Regional Planning and Development District's annual financial report presents our discussion and analysis of the District's financial performance during the year ended June 30, 2012.

OVERVIEW OF FINANCIAL STATEMENTS

The basic financial statements include government-wide financial statements and fund financial statements. These two types of financial statements present Kisatchie-Delta's financial position and results of operations from differing perspectives, which are described as follows:

Government –Wide Financial Statements

The government-wide financial statements report information about Kisatchie-Delta as a whole using accounting methods similar to those used by private-sector companies. These report all revenues and expenses regardless of when cash is received or paid. Furthermore, the government-wide statements include all of Kisatchie-Delta's assets and all of its liabilities (including long-term debt). Expenses incurred in connection with the operation of Kisatchie-Delta's programs are reported as governmental activities. The governmental activities are financed by grants, fees and membership dues.

Fund Financial Statements

Fund financial statements provide detailed information regarding Kisatchie-Delta's most significant activities and are not intended to provide information for Kisatchie-Delta as a whole. Funds are accounting devices that are used to account for specific sources of funds. Kisatchie-Delta's funds are all classified as governmental funds. These funds are used to account for essentially the same functions that are reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, the governmental funds use a modified accrual basis of accounting that provides a short-term view of Kisatchie-Delta's finances. Assets reported by governmental funds are limited to amounts that are available for current needs. In addition, liabilities are limited to amounts that are expected to be paid from currently available assets.

FINANCIAL ANALYSIS OF KISATCHIE-DELTA AS A WHOLE

Government-wide financial data for Kisatchie-Delta are presented as follows:

Net Assets

A condensed version of the government-wide Statement of Net Assets is presented as follows:

KISATCHIE-DELTA

REGIONAL PLANNING AND DEVELOPMENT DISTRICT, INC.

Management's Discussion and Analysis

For the Year Ended June 30, 2012

	June 30,	
	2012	2011
<u>Assets:</u>		
Current and Other Assets	\$ 763,553	\$ 681,270
Capital Assets	7,872	17,945
Total Assets	771,425	699,215
<u>Liabilities:</u>		
Current and Other Liabilities	86,480	88,913
Long-term Liabilities	842,385	915,490
Total Liabilities	928,865	1,004,403
<u>Net Assets:</u>		
Invested in Capital Assets	7,872	17,945
Restricted	462,951	544,443
Unrestricted	(628,263)	(867,576)
Total Net Assets	\$ (157,440)	\$ (305,188)

In order to promote economic development, Kisatchie-Delta has borrowed \$2,000,000 from the USDA's Intermediary Relending Program (IRP) for the purpose of establishing a revolving loan fund. Kisatchie-Delta's IRP loan program has originated numerous loans and these loans have experienced a substantial rate of default. Due to losses associated with these problem loans, liabilities currently exceed assets and Kisatchie-Delta has a substantial deficit in unrestricted net assets. However, long-term liabilities are payable in annual installments, which are due over a series of years. Since, payments are structured over a series of years, Kisatchie-Delta has sufficient resources on hand to meet its ongoing obligations for the foreseeable future.

Changes in Net Assets

A condensed version of the government-wide Statement of Changes in Net Assets is presented as follows:

KISATCHIE-DELTA

REGIONAL PLANNING AND DEVELOPMENT DISTRICT, INC.

Management's Discussion and Analysis

For the Year Ended June 30, 2012

	June 30,	
	2012	2011
<u>Revenues:</u>		
Program Revenue:		
Charges for Services	\$ 330,229	\$ 183,879
Operating Grants and Contributions	118,163	120,093
General Revenue:		
Membership Dues	18,535	23,805
Miscellaneous	15,993	7,835
Total Revenue	482,920	335,612
<u>Program Expenses:</u>		
General Government		
Finance & Administrative	11,491	23,869
Economic Development		
Federal Procurement	74,054	65,508
EDA Regional Planning	93,819	60,328
Business Loans	24,407	20,299
Assistance to Local Governments	80,913	29,839
Rural Business Enterprise	4,024	8,619
Delta Regional Assistance	10,575	9,420
Disaster and Recovery Planning	11	4,836
Environmental Assessments	----	28,030
Employer Education and Awareness	35,878	51,316
Total Expenses	335,172	302,064
 Change in Net Assets	 147,748	 33,548
Net Assets Beginning	(305,188)	(338,736)
 Net Assets Ending	 \$ (157,440)	 \$ (305,188)

As presented above, Kisatchie-Delta's net assets increased \$157,440. This increase is due to income earned from performing economic development services and reapportionment services for local governments on a contract basis. Furthermore, these resources have been retained to offset deficits discussed in the previous section.

KISATCHIE-DELTA

REGIONAL PLANNING AND DEVELOPMENT DISTRICT, INC.

Management's Discussion and Analysis

For the Year Ended June 30, 2012

FINANCIAL ANALYSIS OF KISATCHIE-DELTA'S FUNDS

The factors resulting in an increase in net assets have also contributed to an increase in the balances of Kisatchie-Delta's individual funds. The increase in fund balances is somewhat smaller than the increase in net assets due to differences in procedures for accounting for long-term debt.

GENERAL FUND BUDGET HIGHLIGHTS

Kisatchie-Delta is a non-profit organization governed by a Board of Directors that is appointed by various governmental units. Since it is organized as a nonprofit organization, Kisatchie-Delta is not required to adopt or amend budgets for its funds and no budget comparisons are presented.

CAPITAL ASSET ADMINISTRATION

Capital asset activity for the year ended June 30, 2012 consisted of the depreciation of office equipment and software utilized to administer current grant programs. There were no acquisitions or significant disposals.

DEBT ADMINISTRATION

For the year ended June 30, 2012, debt activity was limited to the contractual maturity of existing obligations and changes in compensated absences.

FACTORS EXPECTED TO EFFECT FUTURE OPERATIONS

At the present time, no significant factors are expected to affect further operations.

KISATCHIE-DELTA

REGIONAL PLANNING AND DEVELOPMENT DISTRICT, INC.

Statement of Net Assets

June 30, 2012

	<u>Governmental Activities</u>
<u>Assets</u>	
Cash and cash equivalents	\$ 527,441
Accounts receivable	145,820
Other assets	1,261
Loans receivable, net of allowance for loan losses	89,031
Depreciable capital assets, net	<u>7,872</u>
Total assets	<u>771,425</u>
 <u>Liabilities:</u>	
Accounts and other payables	1,698
Long-term liabilities	
Accrued leave	11,677
Note Payable - USDA	
Due within one year	73,105
Due in more than one year	<u>842,385</u>
Total liabilities	<u>928,865</u>
 <u>Net Assets</u>	
Invested in capital assets, net of related debt	7,872
Restricted For:	
Federal Procurement	20,992
EDA Regional Planning	30,122
Business Loans	411,837
Unrestricted	<u>(628,263)</u>
Total net assets (deficit)	<u>\$ (157,440)</u>

See accompanying notes and independent accountant's review report .

KISATCHIE-DELTA

REGIONAL PLANNING AND DEVELOPMENT DISTRICT, INC.

Statement of Activities

Year Ended June 30, 2012

	Expenses	Program Revenues			Net (Expenses) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	
Governmental Activities:					
General Government	\$ 11,491	\$ -	\$ -	-	\$ (11,491)
Finance and Administration					
Economic Development					
Federal Procurement	74,054	-	58,163	-	(15,891)
EDA Regional Planning	93,819	-	60,000	-	(33,819)
Business Loans	24,407	28,248	-	-	3,841
Rural Business Enterprise	4,024	4,913	-	-	889
Delta Regional Assistance	10,575	14,000	-	-	3,425
Disaster and Recovery Planning	11	30,595	-	-	30,584
Environmental Assessments	-	-	-	-	-
Employer Education and Awareness	35,878	47,428	-	-	11,550
Assistance to Local Government	80,913	205,045	-	-	124,132
Total Governmental Activities	335,172	330,229	118,163	-	113,220

General Revenues:

Membership Dues	18,535
Miscellaneous	15,993
Total General Revenues	34,528
Change in Net Assets	147,748
Net Assets Beginning	(305,188)
Net Assets Ending	\$ (157,440)

See accompanying notes and independent accountant's review report.

KISATCHIE-DELTA

REGIONAL PLANNING AND DEVELOPMENT DISTRICT, INC.

Balance Sheet

Governmental Funds - June 30, 2012

	General	EDA	Intermediary Relending	Federal Procurement	REAP	Avoyelles Hazard Mitigation	Grant Parish Master Plan	Other Governmental Funds	Total Governmental Funds
Assets									
Cash and cash equivalents	\$ 175,405	\$ -	\$ 352,036	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 527,441
Accounts receivable	-	-	-	4,430	-	26,000	75,910	39,480	145,820
Interfund receivables	-	30,348	-	16,724	53,783	4,775	-	94,973	200,603
Other assets	1,261	-	-	-	-	-	-	-	1,261
Loans receivable, net of allowance for loan losses	-	-	89,031	-	-	-	-	-	89,031
Total assets	176,666	30,348	441,067	21,154	53,783	30,775	75,910	134,453	964,156
Liabilities and Fund Balance									
Liabilities:									
Accounts and other payables	-	226	9	162	155	745	17	384	1,698
Interfund payables	130,287	-	29,221	-	-	-	32,499	8,596	200,603
Total liabilities	130,287	226	29,230	162	155	745	32,516	8,980	202,301
Fund Balances									
Restricted For:									
Federal Procurement	-	-	-	20,992	-	-	-	-	20,992
EDA Regional Planning	-	30,122	-	-	-	-	-	-	30,122
Business Loans	-	-	411,837	-	-	-	-	-	411,837
Assigned To:									
Assistance to Local Governments	-	-	-	-	53,628	30,030	43,394	5,553	132,605
Delta Regional Assistance	-	-	-	-	-	-	-	58,896	58,896
Environmental Assessments	-	-	-	-	-	-	-	15,215	15,215
Employer Education and Awareness	-	-	-	-	-	-	-	54,429	54,429
Unassigned	46,379	-	-	-	-	-	-	(8,620)	37,759
Total Fund Balances	46,379	30,122	411,837	20,992	53,628	30,030	43,394	125,473	761,855
Total Liabilities and Fund Balance	\$ 176,666	\$ 30,348	\$ 441,067	\$ 21,154	\$ 53,783	\$ 30,775	\$ 75,910	\$ 134,453	\$ 964,156

See accompanying notes and independent accountant's review report.

KISATCHIE-DELTA

REGIONAL PLANNING AND DEVELOPMENT DISTRICT, INC.

Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds to Net Assets of Governmental Activities on the Statement Net Assets

June 30, 2012

Total Fund Balances - Governmental Funds	\$ 761,855
Amounts reported for governmental activities in the statement of net assets are different because:	
Long term liabilities are not due and payable in the current period and therefore they are not reported in the Governmental Fund Balance Sheet	(927,167)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	<u>7,872</u>
Net Assets of Governmental Activities	<u>\$ (157,440)</u>

See accompanying notes and independent accountant's review report.

KISATCHIE-DELTA

REGIONAL PLANNING AND DEVELOPMENT DISTRICT, INC.

Statement of Revenues, Expenditures and Changes in Fund Balance Governmental Funds - Year Ended June 30, 2012

	General	EDA	Intermediary Revolving	Federal Procurement	REAP	Avoyelles Hazard Mitigation	Grant Parish Master Plan	Other Governmental Funds	Total Governmental Funds
Revenues:									
Grants - Federal	\$ -	\$ 60,000	\$ -	\$ 58,163	\$ -	\$ -	\$ -	\$ 49,508	\$ 167,671
State funds	-	-	-	-	-	-	75,910	47,428	123,338
Local funds	-	-	-	-	69,500	58,500	-	1,135	129,135
Membership dues	18,535	-	-	-	-	-	-	-	18,535
Interest and fees from loans	8,402	-	19,846	-	-	-	-	-	28,248
Miscellaneous	2,167	-	3,126	-	-	-	-	10,700	15,993
Total revenues	29,104	60,000	22,972	58,163	69,500	58,500	75,910	108,771	482,920
Expenditures:									
Current									
General Government	257	-	-	-	-	-	-	-	257
Finance and Administration	-	-	-	-	-	-	-	-	-
Economic Development	-	-	-	74,054	-	-	-	-	74,054
Federal Procurement	-	93,819	-	-	-	-	-	-	93,819
EDA Regional Planning	7,034	-	7,494	-	-	-	-	-	14,528
Business Loans	-	-	-	-	-	-	-	-	-
Rural Business Enterprise	-	-	-	-	-	-	-	4,024	4,024
Delta Regional Assistance	-	-	-	-	-	-	-	10,575	10,575
Disaster and Recovery Planning	-	-	-	-	-	-	-	11	11
Employer Education and Awareness	-	-	-	-	-	-	-	35,878	35,878
Assistance to Local Government	-	-	-	-	32,546	18,673	28,551	1,143	80,913
Capital Expenditures	-	-	-	-	-	-	-	-	-
Debt Service	-	-	82,260	-	-	-	-	-	82,260
Total expenditures	7,291	93,819	89,754	74,054	32,546	18,673	28,551	51,631	396,319
Excess (deficiency) of revenues over expenditures	21,813	(33,819)	(66,782)	(15,891)	36,954	39,827	47,359	57,140	86,601

See accompanying notes and independent accountant's review report.

KISATCHIE-DELTA

REGIONAL PLANNING AND DEVELOPMENT DISTRICT, INC.

Statement of Revenues, Expenditures and Changes in Fund Balance Governmental Funds - Year Ended June 30, 2012

	General	FDA	Intermediary Refunding	Federal Procurement	REAP	Avoyelles Hazard Mitigation	Grant Parish Master Plan	Other Governmental Funds	Total Governmental Funds
Excess (deficiency) of revenues over expenditures	21,813	(33,819)	(66,782)	(13,891)	36,954	39,827	47,359	57,140	86,601
Other Financing Sources (Uses):									
Operating transfers in (out)	(35,000)	18,000	-	17,000	-	-	-	-	-
Excess (deficiency) of revenues and and other resources over other resources over (under) expenditures and other uses	(13,187)	(15,819)	(66,782)	1,109	36,954	39,827	47,359	57,140	86,601
Fund balance - beginning of year	59,566	45,941	478,619	19,883	16,674	(9,797)	(3,965)	68,333	675,254
Fund balance - end of year	\$ 46,379	\$ 30,122	\$ 411,837	\$ 20,992	\$ 53,628	\$ 30,030	\$ 43,394	\$ 125,473	\$ 761,855

See accompanying notes and independent accountant's review report.

KISATCHIE-DELTA

REGIONAL PLANNING AND DEVELOPMENT DISTRICT, INC.

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities

Year Ended June 30, 2012

Net change in fund balances of Governmental Funds	\$ 86,601
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over estimated useful lives and reported as depreciation expense. Capital outlays and depreciation are presented as follows:	
Capital Outlay	-
Depreciation	(10,073)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	<u>71,220</u>
Change in net assets of governmental activities	<u>\$ 147,748</u>

See accompanying notes and independent accountant's review report.

Kisatchie-Delta

Regional Planning and Development District

Notes to Financial Statements

June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Kisatchie-Delta Regional Planning and Development District, Inc. is a non-profit organization organized under the Laws of the State of Louisiana. The District represents a portion of Central Louisiana that includes eight (8) parishes. Kisatchie-Delta is governed by a Board of Directors and members of the Board are appointed by the governing bodies of various political subdivisions that lie within the boundaries of the District.

Kisatchie-Delta was organized in order to promote economic development and alleviate unemployment. Its activities are financed by Federal and State grants, as well as support from local governmental units. Since Kisatchie-Delta is financed by governmental sources and, since its Board of Directors is appointed by various local governments, Kisatchie-Delta is considered to be a quasi-governmental unit for financial reporting purposes. The accompanying financial statements were prepared in conformity with generally accepted accounting principles for governmental units.

The following is a summary of certain significant accounting policies and practices:

Financial Reporting Entity

Kisatchie-Delta is considered a legally separate stand-alone government as defined by Statement No. 14 of the Governmental Accounting Standards Board. The reporting entity is composed of the activities that are under the direct control of the Board of Directors. Kisatchie-Delta is not financially accountable for any organizations that maintain separate legal standing; therefore, it has no component units.

Basic Financial Statements

All of Kisatchie-Delta's operations are classified as governmental activities. Governmental activities involve government services that are normally supported by intergovernmental revenues and certain fees. The basic financial statements include both government-wide and fund financial statements. The government-wide and fund financial statements present the District's financial position and results of operations from differing perspectives which are described as follows:

Government-Wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about Kisatchie-Delta as a whole. The effect of interfund activity is eliminated from these financial statements. Furthermore, government-wide financial statements exclude any fiduciary activities which are reported in the fund financial statements.

Program revenues reported in the Statement of Activities consist of amounts that are directly associated with a governmental service. Program revenues include charges for services, fees, contributions associated with a particular function and most grants.

Kisatchie-Delta

Regional Planning and Development District

Notes to Financial Statements

June 30, 2012

Fund Financial Statements

Funds are separate accounting entities that are designed to assist with demonstrating legal compliance and segregating transactions by activity. Major individual funds are reported as separate columns in the fund financial statements. The District's major funds are described as follows:

- General Fund – The general fund is the primary operating fund and is used to account for all governmental activities that are not required to be presented elsewhere.
- EDA – This fund accounts for activity related to regional planning activities supported by EDA grants and local matching funds.
- Intermediary Relending – This fund accounts for revolving loan activity that is financed by a loan from the United States Department of Agriculture.
- Federal Procurement – This fund accounts for assistance provided to businesses that are interested in doing business with federal agencies. Federal procurement is financed with grant funds provided by the Louisiana Productivity Center and local matching funds.
- REAP - Fund established to account for providing reapportionment services to various communities.
- Avoyelles Hazard Mitigation – Fund established to account for resources devoted to preparing plans to assist with resolving hazards effecting Avoyelles Parish Communities.
- Grant Parish Master Plan – Fund established to account for resources devoted to preparing a master plan to service as a tool for developing Grant Parish.

Basis Of Accounting and Measurement Focus

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The basis of accounting and measurement focus used for various financial statement presentations are described as follows:

<u>Financial Statement Presentation</u>	<u>Basis of Accounting</u>	<u>Measurement Focus</u>
Government-Wide Financial Statements	Accrual Basis	Economic Resources
Fund Financial Statements	Modified Accrual Basis	Current Financial Resources

Under the accrual basis of accounting and the economic resources measurement focus, revenues are recorded when earned and expenses are recorded when a liability is incurred.

Under the modified accrual basis of accounting and the current financial resources measurement focus revenue is recognized when it is considered measurable and available. Revenue is considered available if it is collected within 90 days of year end. In addition, expenses are generally recorded

Kisatchie-Delta

Regional Planning and Development District

Notes to Financial Statements

June 30, 2012

when a liability has been incurred. Furthermore, when the current financial resources measurement focus is used, amounts recorded as assets exclude capital assets and the acquisition of capital assets is treated as an expenditure. In addition, long-term debts are excluded from amounts reported as liabilities. Proceeds from issuing long-term debt are reported as an other financing source and repayment of long-term debt is reported as an expenditure.

Accumulated Unpaid Vacation

The District's employees earn from one to one and a half hours of vacation pay for every twenty hours worked depending upon their length of service. Vacation time not taken may be carried forward to subsequent periods; but upon termination, no more than thirty days of accrued vacation will be paid to the employee. Earned vacation has been charged to the funds based on the same allocation as regular salary.

Capital Assets

Capital assets include significant acquisitions of equipment that are expected to remain in service for a period of years. Capital assets are reported in the government-wide financial statements but are excluded from the fund financial statements. Instead, the funds report the acquisition of capital assets as expenditures rather than asset acquisitions. Capital assets are depreciated using the straight-line method and useful lives ranging from 5 years to 7 years.

Interfund Receivables And Payables

Amounts of cash held or disbursed by the General Fund on behalf of other funds are recorded as Interfund Payables and Receivables. These Interfund Payables and Receivables are eliminated from the government-wide financial statement presentation.

Loans and Allowance for Loan Losses

Loans are reported at the amount of unpaid principal reduced by an allowance for loan losses. The allowance for loan losses is based on an amount that management believes will be adequate to absorb potential losses on existing loans. The allowance is established through a provision for loan losses charged to expenditures. Loans are charged against the allowance for loan losses when management believes that the collectability of principal is unlikely.

Cash And Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Kisatchie-Delta

Regional Planning and Development District

Notes to Financial Statements

June 30, 2012

Credit risk associated with bank deposits is limited by requiring fiscal agent banks to pledge securities as required by State Law. Furthermore, interest rate risk associated with certificates of deposits is typically mitigated by purchasing instruments that mature in one year or less.

Use Of Estimates

The preparation of financial statement in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Budgets

As discussed previously, Kisatchie-Delta is organized as a non-profit corporation rather than a political subdivision. Accordingly, Kisatchie-Delta is not required to prepare a formal budget or present budget comparisons with its financial statements.

Fund Balance Classification:

The District's Executive Director is authorized to assign amounts for specific purposes. In situations where it is permissible to spend restricted or assigned resources, the District typically depletes the available restricted or assigned resources before consuming unrestricted resources.

NOTE 2 – INTERNAL BALANCES AND ACTIVITY

The interfund receivables and payables at June 30, 2012 are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ ---	\$ 130,287
Special Revenue Funds:		
Economic Development Administration	30,348	---
Intermediary Relending	---	29,221
Federal Procurement	16,724	---
Grant Parish Master Plan	---	32,499
Reapportionment (REAP)	53,783	---
Avoyelles Hazard Mitigation	4,775	---
Other Governmental Funds	94,973	8,596
Total	\$ 200,603	\$ 200,603

Various funds deposit cash into a single bank account and money is disbursed from the account on behalf of these funds. This commingling of resources results in the interfund receivables and payables presented above.

Kisatchie-Delta

Regional Planning and Development District

Notes to Financial Statements

June 30, 2012

Operating transfers for the year ended June 30, 2012 are presented as follows:

	Operating Transfers In	Operating Transfers Out	Net
General Fund	\$ ----	\$ 35,000	\$ (35,000)
Special Revenue Funds:			
Economic Development Admin	18,000	----	18,000
Federal Procurement	17,000	----	17,000
Total	\$ 35,000	\$ 35,000	\$ ----

The transfers described above were to provide matching funds required by certain grants. In order to provide the matching funds the general fund transferred \$35,000 provided by membership dues to the Economic Development Administration and Federal Procurement.

NOTE 3 – CAPITAL ASSETS

Changes in capital assets are presented as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
<u>Depreciable Capital Assets</u>				
Furniture, Fixtures and Equipment	\$ 37,555	\$ 7,050	\$ 7,050	\$ 37,555
Leasehold Improvements	10,554	----	----	10,554
Accumulated Depreciation	(37,214)	(10,073)	(7,050)	(40,237)
Total	\$ 10,895	\$ (3,023)	\$ ----	\$ 7,872
<u>Non Depreciable Capital Assets</u>				
Software In Development	\$ 7,050	\$ ----	\$ 7,050	\$ ----
Total	\$ 7,050	\$ ----	\$ 7,050	\$ ----

Depreciable capital assets are limited to furniture, fixtures, equipment and improvements used in the administration of Kisatchie-Delta's activities. Accordingly, depreciation expense is reported in the accompanying government-wide financial statements as a finance and administrative expense.

NOTE 4 - INTERMEDIARY RELENDING PROGRAM

Kistachie-Delta has been selected to participate in the Intermediary Relending Program sponsored by the United States Department of Agriculture. As an intermediary, Kisatchie-Delta has borrowed \$2,000,000 from the Farmers Home Administration at an interest rate of one percent (1%). Funds borrowed from the Farmers Home Administration were used to create a portfolio of revolving loans to eligible borrowers within the Kisatchie-Delta District.

Kisatchie-Delta

Regional Planning and Development District

Notes to Financial Statements

June 30, 2012

As of June 30, 2012, the loan portfolio consist of five (5) loans that are secured by a variety of collateral that includes real estate, equipment and inventories. The amount currently outstanding is presented as follows:

Loans Receivable	\$ 129,968
Allowance for Loan Losses	(40,937)
Loans (net)	\$ 89,031

An analysis of activity affecting the allowance for loan losses for the year ended June 30, 2012 is presented as follows:

<u>Allowance For Loan Losses:</u>	
Balance, Beginning of the Year	\$ 40,937
Provision for Bad Debts	----
Loans Charged Off	----
Recoveries	----
Balance, End of the Year	\$ 40,937

NOTE 5 - LONG-TERM DEBT

The following is a summary of long-term debt transactions for the year ended June 30, 2012

	<u>Accrued Leave Liability</u>	<u>Farmers Home Administration</u>	<u>Total</u>
Beginning of Year	\$ 10,516	\$ 987,871	\$ 998,387
Additions	1,161	---	1,161
Long-term Debt Retired	----	72,381	72,381
End of Year	11,677	915,490	927,167
Due Within One Year	----	73,105	73,105
Due in More Than One Year	\$ 11,677	\$ 842,385	\$ 854,062

Notes payable at June 30, 2012 are comprised of the following general obligations:

Kisatchie-Delta

Regional Planning and Development District

Notes to Financial Statements

June 30, 2012

A \$2,000,000 loan from the USDA at 1% for the purpose of financing Kisatchie-Delta's participation in the Intermediary Relending Program. Interest is due in semi-annual installments beginning July 8, 1994. Principal and interest will be paid in a series of equal installments beginning February 8, 1997 and continuing for a period of thirty (30) years. The note is secured by Kisatchie-Delta's intermediary loan portfolio.

\$ 915,490

Since Kisatchie-Delta's general obligations were incurred to finance the IRP loan program, the IRP loan fund has provided resources to service the general obligation debt. In addition, interest incurred in connection with the general obligations has been reported in the Statement of Activities as a business loan program expense. For the year ended June 30, 2012, the business loan program expenses included interest expense totaling \$9,879.

Compensated absences are usually liquidated by Kisatchie-Delta's general fund

Future payment of principal and interest on outstanding general obligations is presented as follows:

<u>Year Ended June 30th</u>	<u>Principle</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 73,105	\$ 9,155	\$ 82,260
2014	73,836	8,424	82,260
2015	74,575	7,685	82,260
2016	75,320	6,940	82,260
2017	76,073	6,187	82,260
2018 - 2022	391,932	19,368	411,300
2023 - 2025	150,649	2,205	152,854
Total	\$ 915,490	\$ 59,964	\$ 975,454

NOTE 6 - ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2012 are presented as follows:

Grant contracts	\$ 11,430
Service fees	134,390
Total	\$ 145,820

NOTE 7 - COMPENSATION OF BOARD MEMBERS

During the year, no compensation was paid to any member of the District's Board of Directors.

Kisatchie-Delta

Regional Planning and Development District

Notes to Financial Statements

June 30, 2012

NOTE 8 - CASH

At June 30, 2012 the District's cash balances totaled \$527,441 (Book Balance) and \$540,948 (Bank Balance). The bank balance of is secured by FDIC insurance totaling \$538,487. A portion of the bank balance was held in an account that was not insured or collateralized by pledged securities. The portion of deposits that were unsecured at June 30, 2012 totaled \$2,461.

NOTE 9 - RISK MANAGEMENT:

Kisatchie-Delta is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks of loss are covered by a comprehensive commercial insurance policy and workers compensation insurance. Claims resulting from these risks have historically not exceeded insurance coverage.

NOTE 10 - FUND BALANCES

At June 30, 2012, the fund established to account Rural Business Enterprise Grant (RBEG) activity reported a deficit of \$8,612. The General Fund will provide operating transfers to eliminate any deficit that cannot be eliminated through ordinary operations.

NOTE 11 - LEASE

The lease agreement executed by Kisatchie-Delta to occupy office facilities necessary for operations has expired. Currently, the facility is rented on a monthly basis until the terms of a new lease agreement have been reached. For the year ended June 30, 2012, rent expenditures totaling \$10,200 were incurred and reported as finance and administration expenditures.

NOTE 12 - CONTINGENCIES

Kisatchie-Delta receives state and federal assistance through various grant programs. Management is confident that all significant grant conditions have been met; however, grantor agencies routinely review grant activity and could request reimbursement if a dispute occurs regarding compliance with grant conditions.

KISATCHIE-DELTA

REGIONAL PLANNING AND DEVELOPMENT DISTRICT, INC.

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

Non Major Governmental Funds - Year Ended June 30, 2012

	LAPDD-EDA	LAPDD-DEQ	Workforce Investment Board	Wood Products Development	Delta Regional Authority	RBEQ	Total
<u>Revenues:</u>							
Grants - Federal	\$ 30,595	\$ -	\$ -	\$ -	\$ 14,000	\$ 4,913	\$ 49,508
Grants - State	-	-	47,428	-	-	-	47,428
Local funds	-	-	-	1,135	-	-	1,135
Miscellaneous	-	-	-	-	10,700	-	10,700
Total revenues	30,595	-	47,428	1,135	24,700	4,913	108,771
<u>Expenditures:</u>							
General Government							
Rural Business Enterprise	-	-	-	-	-	4,024	4,024
Delta Regional Authority	-	-	-	-	10,575	-	10,575
Disaster and Recovery Planning	11	-	-	-	-	-	11
Employer Education and Awareness	-	-	35,878	-	-	-	35,878
Assistance to Local Governments	-	-	-	1,143	-	-	1,143
Total expenditures	11	-	35,878	1,143	10,575	4,024	51,631
Excess (deficiency) of revenues over expenditures	30,584	-	11,550	(8)	14,125	889	57,140
<u>Other Financing Sources (Uses):</u>							
Operating transfers in (out)	-	-	-	-	-	-	-
Excess (deficiency) of revenues and and other resources over other resources over (under) expenditures and other uses	30,584	-	11,550	(8)	14,125	889	57,140
Fund balance - beginning of year	(25,031)	15,215	42,879	-	44,771	(9,501)	68,333
Fund balance - end of year	\$ 5,553	\$ 15,215	\$ 54,429	\$ (8)	\$ 58,896	\$ (8,612)	\$ 125,473

See independent accountant's review report.

Rozier, Harrington & McKay

Certified Public Accountants

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M. DALE HARRINGTON, CPA
RETIRED - 2005

December 20, 2012

INDEPENDENT ACCOUNTANTS' REPORT ON **APPLYING AGREED-UPON PROCEDURES**

Kisatchie-Delta Regional Planning
and Development District, Inc.
3516 Parliament Court
Alexandria, Louisiana 71303

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Kisatchie-Delta Regional Planning and Development District, Inc. and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Kisatchie-Delta's compliance with certain laws and regulations during the year ended June 30, 2012, included in the *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

PUBLIC BID LAW:

1. Select all expenditures made during the year for material and supplies exceeding \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

Our review of the general ledger and inquiries of management found no transactions that met the scope of the public bid law.

-Members-

American Institute of Certified Public Accountants • Society of Louisiana, CPAs

CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES

2. Obtain from management a list of the immediate family members of the Board Members as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of the Board Members and employees, as well as their immediate families.

Management provided a list of the 25 members currently appointed to the Board of Directors. Management also furnished a questionnaire to each of the Board Members requesting information including the identity of their immediate family members. Responses were received from 15 of the 25 Board Members.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with a listing of all employees paid during the period under examination.

4. Determine whether any of those employees included in the records obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

Kisatchie-Delta only has 5 employees and there are no known relationships with members of the Board of Directors. Furthermore, our review of board member surveys and employee information obtained from management found that no immediate family members of the Board to be employed during the period under examination. However, due to the limited nature of the response describe above, these procedures were only applied for 15 of the 25 Board Members.

BUDGETING

5. Obtained a copy of the legally adopted budget and all amendments.

Kisatchie-Delta is a non-profit organization governed by a Board of Directors that is appointed by various governmental units. Since it is organized as a nonprofit organization, the Attorney General has determined that Kisatchie-Delta is not required to adopt or amend budgets for its funds.

6. Trace the budget adoption and amendments to the minute book.

Not applicable

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceed budgeted amounts by more than 5%.

Not Applicable

KISATCHIE-DELTA REGIONAL PLANNING AND DEVELOPMENT DISTRICT
DECEMBER 20, 2012

ACCOUNTING AND REPORTING

8. Randomly select six disbursements made during the period under examination and:

(a) trace payments to supporting documentation as to proper amount and payee.

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

(b) determine if payments were properly coded to the correct fund and general ledger account.

All of the payments were properly coded to the correct fund and general ledger account.

(c) determine whether payments received approval from proper authorities.

Inspection of supporting purchase orders indicated that all invoices are approved for payment. No further approval was required.

MEETINGS

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

The District is only required to post a notice of each meeting and the accompanying agenda on the door of the meeting facility. Although management has asserted that such documents were properly posted, we could find no evidence supporting such assertion.

DEBT

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected the bank deposits for the period under examination and noted no debt proceeds received.

ADVANCES AND BONUSES

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advance, or gifts.

Our review of the payroll records and board minutes for the year found that no employees received payments that would constitute a bonus, advance or gift.

KISATCHIE-DELTA REGIONAL PLANNING AND DEVELOPMENT DISTRICT
DECEMBER 20, 2012

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Kisatchie-Delta Planning and Development District, Inc. and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.



ROZIER, HARRINGTON & McKAY
Certified Public Accountants

KISATCHIE-DELTA
REGIONAL PLANNING AND DEVELOPMENT DISTRICT
MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2012

SECTION I - Review Report	
No findings were reported.	Response – N/A
SECTION II - Attestation Report	
No findings were reported.	Response – N/A
SECTION III -MANAGEMENT LETTER	
No findings were reported.	Response – N/A

KISATCHIE-DELTA
REGIONAL PLANNING AND DEVELOPMENT DISTRICT
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2012

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS.	
No findings were reported in the previous review.	Response – N/A
SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS	
No findings were reported in the previous review.	Response – N/A
SECTION III MANAGEMENT LETTER	
<p><u>2011(1) – PAYROLL TAXES</u></p> <p>Kisatchie-Delta is required to withhold state taxes from employee's wages. In addition, Kisatchie-Delta is obligated to remit the amounts withheld to the State monthly; however, the required payments to the State were not completed in a timely manner. This oversight has exposed Kisatchie-Delta to the possible imposition of substantial penalties. We suggest completing the required payments at the earliest opportunity and establishing procedures to prevent further oversights of this nature.</p>	<p><u>RESOLVED</u></p> <p>For the current year, no problems with payroll tax reporting were detected and no management letter was issued.</p>

LOUISIANA ATTESTATION QUESTIONNAIRE
FOR THE YEAR ENDED JUNE 30, 2012

**LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)**

December 11, 2012

Rozier, Harrington & McKay CPA's
P.O. Box 12178
Alexandria, LA. 71315-2178

In connection with your review of our financial statements as of June 30, 2012 and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of 12/13/12.

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes ☒ No ☐

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes ☒ No ☐

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes ☒ No ☐

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes ☒ No ☐

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes ☒ No ☐

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes ☒ No ☐

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes ☒ No ☐

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.

Yes ☒ No ☐

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes ☒ No ☐

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes ☒ No ☐

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance that may occur subsequent to the issuance of your report.

Heather Smoak Ureua

Executive Director 12/14/12 Date